

Message Text

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C O R R E C T E D C O P Y (LAST LINE PARA 3(D) OMITTED)

E.O. 11652: ADS DECLASS APRIL 1, 1975

TAGS:

SUBJECT:CONGRESSIONAL CONCERN REGARDING AID-FINANCED
FERTILIZER

EYES ONLY

FOR TONER FROM PARKER

1. I HAVE TODAY RECEIVED THE FOLLOWING MESSAGE FROM THE
CHAIRMAN OF THE FOREIGN OPERATIONS SUBCOMMITTEE OF THE
APPROPRIATIONS COMMITTEE OF THE HOUSE. QUOTE; CONFIRMING
REQUEST MADE OVER LONG DISTANCE A FEW MOMENTS AGO. I
RESPECTFULLY REQUEST AND URGE YOU NOT TO MAKE ANY COMMIT-
MENT TO PURCHASE FERTILIZER FOR ANY NATION FROM EITHER
THE UNITED STATES OR OFF-SHORE UNTIL I HAVE HAD AN OPPOR-
TUNITY TO DISCUSS THIS MATTER WITH 8 OR 9 OF MY ANXIOUS
COLLEAGUES. I RESPECTFULLY REFER YOU TO THE DEFENSE
THAT I MADE OF YOUR AGENCY'S FERTILIZER POLICIES LAST
YEAR. I REPEAT, ANY COMMITMENT SHOULD REMAIN DORMANT
UNTIL AFTER THE EASTER RECESS. REPEATING FOR EMPHASIS,
YOU WILL SERIOUSLY JEOPARDIZE THE FOREIGN AID BILL UNLESS
YOU GIVE THOSE OF US CHARGED WITH THE RESPONSIBILITY OF
HANDLING THE BILL IN THE CONGRESS AN OPPORTUNITY TO PACIFY
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WITH FACTS, IF THEY ARE OBTAINABLE, SOME OF OUR ANXIOUS

COLLEAGUES. UNQUOTE.

2 WE UNDERSTAND THAT THE CHAIRMAN HAS RECEIVED PROTESTS

RE AID FINANCING OF FERTILIZER FROM COLLEAGUES WHO VOTED FOR THE 1975 FOREIGN AID BILL, BUT WHO ARE NOW RECEIVING COMPLAINTS FROM CONSTITUENTS HAVING DIFFICULTY IN OBTAINING FERTILIZER. OUR STAFF BELIEVES THAT THE SPOT SCARCITY OF ANHYDROUS AMMONIA IN SOME CONGRESSMEN'S DISTRICTS MAY BE PRIMARY CAUSE FOR THESE COMPLAINTS. AS YOU KNOW, AID DOES NOT FINANCE ANHYDROUS AMMONIA. NONETHELESS, THE CHAIRMAN BELIEVES THAT HE NEEDS TIME AFTER THE EASTER RECESS TO EXPLAIN THE SITUATION TO HIS COLLEAGUES. WE SHALL BE MARSHALLING FACTS FOR PRESENTATION TO HIM AT THAT TIME

3; IN ORDER TO ALLAY THE CHAIRMAN'S CONCERNS AND GIVE HIM THE TIME TO PACIFY HIS COLLEAGUES, I SUGGEST WE FOLLOW THE PLAN OUTLINED BELOW:

(A) BADC SHOULD OPEN BIDS ON MARCH 31 IN ACCORDANCE WITH TENDER TERMS. COMMENT: BIDS FROM EUROPE AND THE UNITED STATES ARE ALREADY ENROUTE TO DACCA AND, IN FACT, SOME COMPANIES HAVE DISPATCHED INDIVIDUALS TO DACCA FOR THE OPENING. TO CANCEL BID-OPENING AT THIS TIME WOULD CAUSE UNDUE CONFUSION. CONSIDER IT PREFERABLE TO HAVE ALL BIDS OPENED -- WITH QUANTITIES, PRICES AND SOURCE KNOWN -- SO THAT WE MAY HAVE COMPLETE FACTS FOR PRESENTATION TO THE CHAIRMAN; ANTICIPATE THAT OFFERS FOR UREA MAY BE PREDOMINATELY FROM NON-U.S. SOURCES, WITH LIKELIHOOD THAT SIGNIFICANT TONNAGE AT FAVORABLE PRICES WILL BE OFFERED FROM JAPAN AND THE PERSIAN GULF AREAS, WHICH ARE NOT NORMALLY SUPPLIERS TO THE U.S. MARKET;

(B) BDG DELEGATION SHOULD PROCEED TO WASHINGTON WITH OFFERS AS SCHEDULED; (FOR REASONS STATED PARA 4 BELOW, DELEGATION SHOULD ALSO HAVE INFORMATION AS TO WHEN FERTILIZER MUST BE AVAILABLE UP-COUNTRY IN BANGLADESH FOR USE IN THE FALL PLANTING SEASON)

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(C) AFTER REVIEWING OFFERS, WE WILL PRESENT FACTS TO THE CHAIRMAN ON APRIL 7; WHEN HE RETURNS FROM THE EASTER RECESS; IF HE BELIEVES THAT HE WILL HAVE TIME TO CONSULT WITH COLLEAGUES PRIOR TO THE BID AWARD DATE OF APRIL 15, WE WOULD THEN PROCEED WITH THE IFB FOR FREIGHT AS SCHEDULED ON APRIL 9, AND MAKE AWARDS AS SCHEDULED ON APRIL 15;

(D) IF THE CHAIRMAN REQUIRES ADDITIONAL TIME TO DISCUSS MATTERS WITH COLLEAGUES, WE WOULD PROPOSE TO HAVE BADC REQUEST SUPPLIERS TO EXTEND THEIR RESPECTIVE OFFERS FOR AN ADDITIONAL 7 DAYS (OR UNTIL APRIL 22; 1975), AND WOULD PROPOSE TO POSTPONE THE IFB FOR FREIGHT TO CORRESPOND TO THIS NEW SCHEDULE.

4. WE ARE CURRENTLY RELUCTANT TO DELAY THE AWARD DATE MUCH BEYOND APRIL 22 IF WE STILL INTEND TO HOLD TO SHIPPING DATES STIPULATED IN THE TENDER. I AM TOLD THAT, WHEN YOU WERE RECENTLY IN WASHINGTON, YOU EXPRESSED CONCERN BY CABLE TO THE BDG THAT EVEN THE CURRENT SHIPPING DATES MIGHT NOT RESULT IN TIMELY DELIVERY OF FERTILIZER REQUEST YOUR PRESENT ASSESSMENT AS TO THE EFFECT A CHANGE IN SHIPPING DATES MIGHT HAVE ON YOUR PROGRAM

5 YOU MAY WISH TO ALERT APPROPRIATE BDG OFFICIALS OF MATTERS DISCUSSED HEREIN, BUT RECOMMEND YOU DO SO ONLY AFTER THE TENDER OPENING OF MARCH 31; SUCH DISCUSSIONS PRIOR TO BID-OPENING MIGHT WELL BECOME PUBLIC KNOWLEDGE, AND OFFER UNFAIR ADVANTAGE TO SOME SUPPLIERS HOWEVER, YOU WILL UNDOUBTEDLY CONSIDER IT NECESSARY FOR BDG DELEGATION TO BE INFORMED PRIOR TO ITS DEPARTURE FOR WASHINGTON -- SO THAT THESE INDIVIDUALS MAY BE PREPARED TO EXTEND THEIR STAY SHOULD CIRCUMSTANCES REQUIRE; INGERSOLL

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